

MILK RIVER WATERSHED NEWS

St. Mary Rehabilitation Project Showcased at National Meeting

Paul Azevedo, State Coordinator for the Rehabilitation of the St. Mary Facilities

From November 7-10, I was fortunate to accompany Lt. Governor John Bohlinger and a group of St. Mary Rehabilitation Working Group members to the National Water Resources Association's 74th annual meeting in Honolulu, Hawaii. As Co-Chair of the St. Mary Rehabilitation Working Group, Lt. Governor Bohlinger led our delegation to meet with NWRA Board members, and promote the St. Mary Rehabilitation Project to municipal and irrigation water users and water resource managers from 10 western states. According to NWRA Executive Vice President Tom Donnelly, Montana is the first state to be represented by a Lt. Governor at his organization's annual meeting. Other members of our group included St. Mary Working Group members Randy Perez, Max Maddox, and Larry Mires, and Montana Water Resources Association Executive Director Mike Murphy.

Between various forums, a poster display, and a luncheon presentation, the St. Mary Rehabilitation Project received extensive coverage. This meeting provided Montana with an excellent opportunity to present the St. Mary Rehabilitation Project to a national audience. More importantly, it allowed us to begin building relationships and networking with some of the key national constituencies whose support we will need at the national level.



Lt. Governor John and wife Bette Bohlinger stand next to the St. Mary - Milk River display boards in the lobby at the registration tables for the National Water Resources Annual Meeting in Honolulu, Hawaii November 7, 2005. Mrs. Bohlinger passed away on January 9, 2006. Attending the conference for the St. Mary Rehabilitation Working Group were Lt. Governor Bohlinger - Co-Chair; Paul Azevedo - State Coordinator for the SMRWG; Larry Mires - Executive Director; Max Maddox - board member; and Randy Perez - board member and Ft. Belknap representative. Mike Murphy - Executive Director of Montana Water Resources Association - also attended this year's conference with the group. Larry Mires and Paul Azevedo presented the keynote address on the St. Mary Rehabilitation and Milk River project at the Irrigators Caucus luncheon during the NWRA annual meeting.

On Tuesday morning we had a thirty minute meeting with the Honorable John Keys, Commissioner of the US Bureau of Reclamation (USBR). The

Commissioner appeared to be well versed on the St. Mary Project and other issues facing the Milk River Basin. We met our primary objective

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when Commissioner Keys instructed USBR Great Plains Regional Director Mike Ryan to engage with the State of Montana and water users in the Milk River Basin to find a solution for rehabilitating the St. Mary Facilities. As with any project of this size and complexity, the details of finding a solution will still be difficult, but it now appears that the Regional Office has been directed to work with us.

Shortly after our meeting with Commissioner Keys, Larry Mires and I gave a presentation to about fifty people at

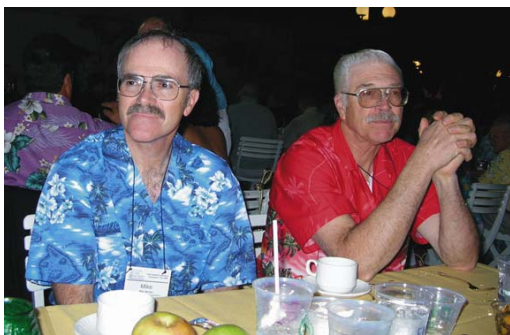
a luncheon sponsored by the NWRA's Irrigation Caucus. During the question and answer session that followed, it was clear that the issues we face

with St. Mary's aging infrastructure are not limited to Montana. Aging infrastructure is a concern to irrigation districts throughout the West. Since our presentation, Larry Mires has received invitations to speak at several other meetings of western water users.

On Wednesday morning, Lt. Governor Bohlinger participated on a panel discussion titled "Western Water Programs and Policy for the Future." His presentation focused on Montana's Drought Advisory Committee, and coupled the St. Mary's Project to the need for developing a national policy to address aging infrastructure. Other panel members included Commissioner Keys, former USBR Commissioner Eluid Martinez, Family Farm Alliance President Patrick O'Toole, Utah Division of Water Resources Director Larry Anderson, and Metropolitan Water District of Southern California Director Terry Mylne.

On Wednesday afternoon our group attended a Regional Forum with Mike Ryan, Director of USBR's Great Plains Region. This session

was attended by representatives from most of the states within the Great Plains Region, which encompasses all or parts of nine states including Montana, North Dakota, South Dakota, Wyoming, Colorado, Nebraska, Kansas, Oklahoma, and Texas. This turned out to be a very informal sit down chat during which Ryan described his background, history with USBR, management philosophy, regional goals, and budgeting. Although Ryan is originally from Deer Lodge, he has spent most of his USBR career working in California, Oregon, and Washington. He was named Director



Mike Murphy, Executive Director for the Montana Water Resource Association and Max Maddox with the Milk River Project Joint Board of Control attended the National Water Resources Association Meeting in Hawaii where the St. Mary rehabilitation effort was able to bolster national attention.

of the Great Plains Region in the Fall. Ryan listed finding a solution for rehabilitating the St. Mary Facilities as one his top six regional goals. He said that the project has some very difficult issues to wrestle with including poor farm economics, settling of Tribal water rights in the basin, and resolving our disagreement with Canada over the apportionment of water in the Milk and St. Mary Rivers. On the positive side, he felt that successful resolution of St. Mary's would provide a way to solve other aging infrastructure issues within the Region.

The message we heard over and over was that water users should not expect the federal government to bail out failing projects. Washington D.C. is facing a severe budget crunch, and there is a lot of competition for a limited pool of financial resources. The new paradigm is "cost-share". Crafting a very strong cost-share package of local and state dollars will be a crucial component to a successful strategy to securing federal funding for rehabilitating the St. Mary Diversion Facilities.

Milk River Water Supply

December 1, 2005

The storage for the Milk River Project is currently above average. Storage for both Lake Sherburne and Fresno Reservoirs are above normal, while storage in Nelson Reservoir is near normal for this time



Sherburne

of year. St. Mary Canal diversions were discontinued on September 12 followed by releases from Lake Sherburne, which were discontinued on the 13th. Fresno Reservoir was reduced to winter releases on September 23. Water deliveries from Nelson Reservoir were discontinued prior to that on September 20.

September through November streamflow conditions improved in the St. Mary Basin due to good precipitation. The precipitation that occurred in early October significantly increased streamflows and contributed to the 6th highest October inflow to Lake Sherburne since 1930. Inflows from September through November for Fresno Reservoir were approximately 75 percent of average, even with the early fall precipitation.

Early winter snowstorms have helped increase snowpack to above average levels in many basins across Montana. Snowpack in the headwaters and mainstem of the Missouri River are 112 and 121 percent of average, while the Smith, Judith, and Musselshell River basins are approximately 157 percent of average. Areas further north along the Rocky Mountain Front have not been as fortunate and snowpack levels are accumulating at much below average rates. At this time there is no clear indication that the drought is over and we are still early in the snow season. Conservative operations are anticipated for most of Reclamation's projects including the Milk River basin.

Storage as of January 1, 2006			
Reservoir	Storage (acre-feet)	% Normal	% Full
Lake Sherburne	38,500	221	57
Fresno	47,200	126	50
Nelson (active)	36,500	96	61

Figure 1: Lake Sherburne Storage

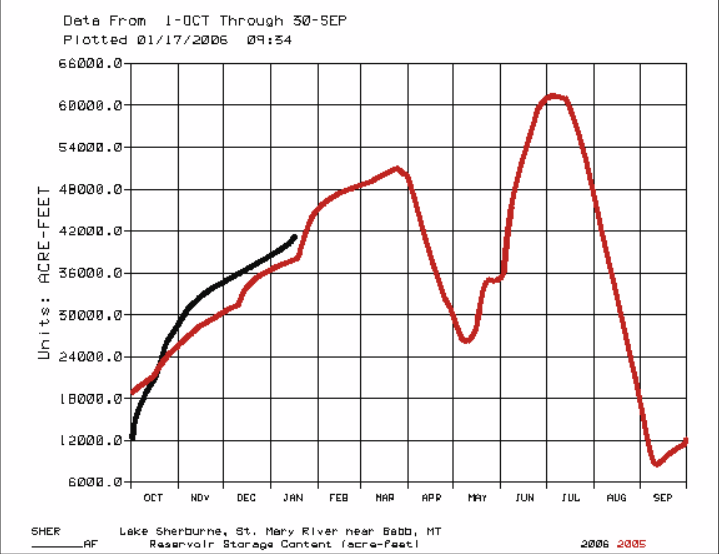


Figure 2: Fresno Reservoir Storage

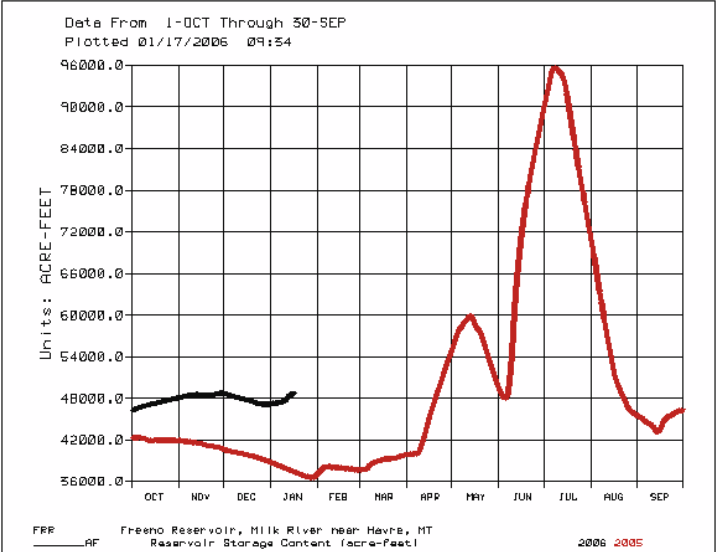


Figure 3: Nelson Reservoir Storage

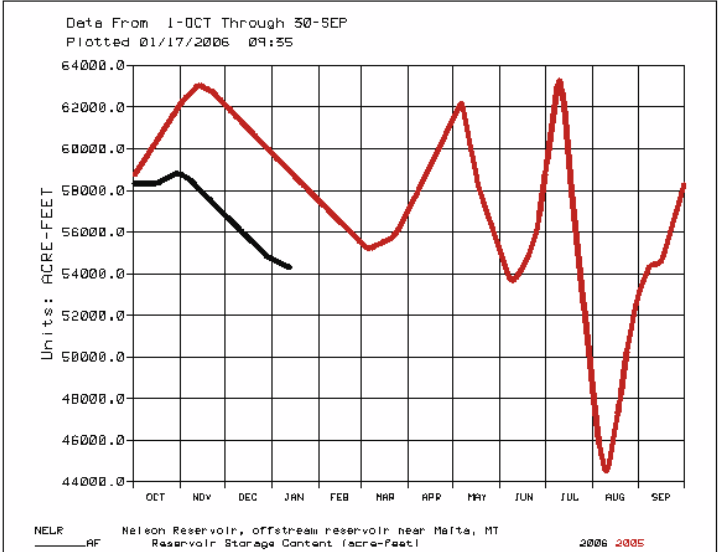
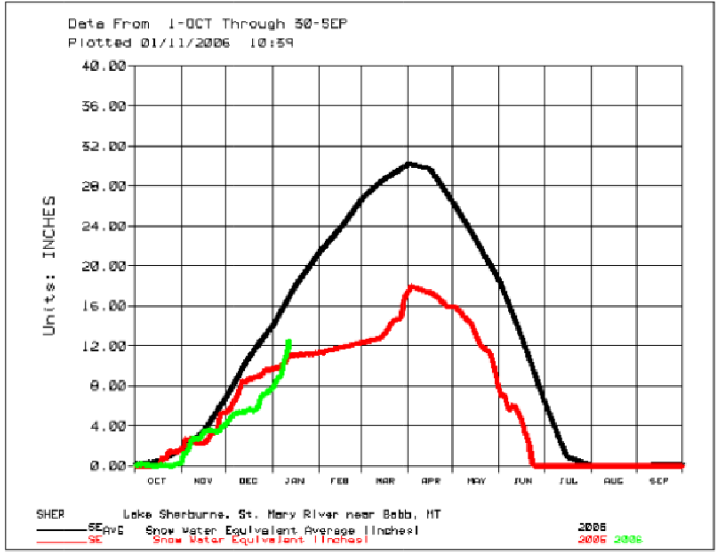


Figure 4: Lake Sherburne Snowpack



Finding Affordable Solutions:

Reauthorizing and Rehabilitating the Milk River Project

Mike Dailey, St. Mary Rehabilitation
Field Coordinator

The need to rehabilitate the Milk River Project is a foretelling indicator for the growing problem of aging infrastructures in the west. As one of Reclamation's five original projects, it stands to reason that the Milk River Project is the vanguard for an onslaught of water supply entities seeking the means to address unforeseen and ever growing water demands. The State of Montana, working collaboratively with the St. Mary Working Group (SMWG) and other partners, have come together to raise awareness of the Milk River Project at the national level.



Vandalia Dam

To help gain a national foothold, the SMWG has teamed with the Family Farm Alliance and the Montana Water Resources Association (see Family Farm Alliance and National Water Articles). The Milk River Project is being promoted as the "poster child" for aging infrastructure. Our success may provide the blueprint for other aging water projects across the west.

Over the last one hundred-plus years, existing water projects have been the focal points for settlement and growth. Most early water projects were typically authorized and built affordable for irrigation purposes. They preceded resource protection laws and were not designed to reckon with tribal water

rights settlements or expanding demands. With the passage of time, other beneficial uses were realized including rural and municipal drinking water, fish and wildlife, recreation, and aesthetics to name a few. On the Milk River Project, many of these incidental beneficiaries enjoy project water, while the authorization dictates nearly the entire cost be shouldered by irrigators. Therefore it is no surprise that as the project ages, rising operation and maintenance (O&M) costs have outpaced the irrigators' ability to pay, thereby accelerating deterioration of the facilities.

I recently met with each of the eight irrigation districts on the Milk River Project. My focus was to collect information that would provide a financial snapshot of a failing project and help pin down just what is "affordable". My interviews revealed several dilemmas that come as no surprise. First and foremost is soaring project O&M costs associated with an aging project; followed closely by aging district facilities. In fact, most districts face rehabilitations on major internal infrastructures within the

next 5 years without means to pay. Other concerns are chronic water shortages, water rights enforcement, and unregulated pumping along the river. There is also an understandable concern over the uncertainty of striking out in a new direction. I am appreciative of the districts' candor.

"The Milk River Project is being promoted as the "poster child" for aging infrastructure."

Obsolete authorization and an unhealthy

dependency on Reclamation and other agencies have project water users backed into a corner. There is no ceiling for O&M costs, which have roughly doubled in the last three years, and nothing to indicate the trend will not continue. The SMWG and State are exploring alternatives to solve the dilemma without financially breaking the backs of irrigators. As we work toward solutions, the financial status of the districts is a crucial piece of the puzzle for developing a funding package. The local cost-share component must be determined from the bottom up if the project is to remain economically viable.



Damaged Pipeline

It is a striking fact that the very authorization that made the Milk River Project possible nearly a century ago is one of today's great constraints. Demands and O&M costs are on the increase while facilities continue to deteriorate. Many of the reaped benefits remain untapped as potential revenue sources. A modernization of the authorization and facilities is needed to overcome the issues. Ultimately, creative funding solutions and nontraditional partners will be the keys to success.

Representatives on the Milk River JBC:

Kay Blatter	Chairman	Fort Belknap Irr. Dist.
Wade Jones	Vice-Chairman	Malta Irr. Dist.
Max Maddox	Secretary	Alfalfa Valley Irr. Dist.
Lee Cornwell	Member	Glasgow Irr. Dist.
Wes Pankratz	Member	Glasgow Irr. Dist.
Ralph Snider	Member	Harlem Irr. Dist.
Brad Tilleman	Member	Zurich Irr. Dist.
Don Green	Member	Malta Irr. Dist.
Will Lechner	Member	Paradise Valley Irr. Dist.
Joe Nicholson	Member	Dodson Irr. Dist.





St. Mary Rehabilitation Working Group: (Seated front l-r) Larry Mires - Executive Director, John Tubbs - DNRC, and Gary Anderson - Chinook Citizen. (Standing in back l-r) Kevin Salsbery - Malta Irrigation District, Max Maddox - Milk River Project Chinook Division, Steve Page - Glasgow Area Irrigator, Jim Rector - Valley County Economic Development, Matt McCann - Harlem Area Irrigator, Randy Reed - Milk River Development Association, Marko Manoukian - Phillips County Economic Growth Council, Dave Peterson - City of Havre, Paul Tuss - Bear Paw Development, Jeri Lawrence - Blackfeet Tribe, Mike DesRosier - Glacier County Commissioner, Delores Plummage - Blaine County Commissioner, John Lacey - Glasgow Irrigation District, Earl Old Person - Chief Blackfeet Tribe. Not Pictured are Mike Barthel - Montana Walleyes Unlimited, Randy Perez - Fort Belknap Director of Water Resources, and Paul Azevedo - DNRC St. Mary Rehabilitation Project State Coordinator.

St. Mary Fix Could Provide a Model for Other Areas

*Dan Keppen, Executive Director
Family Farm Alliance*

A West-wide grassroots coalition of family farmers and ranchers believes that the solution developed to address the challenges facing the crumbling St. Mary Facilities of the Milk River Project could provide a template that could be used to help other areas of the West. The Family Farm Alliance earlier this fall was asked by the St. Mary Working Group to assist with federal affairs issues that may contribute a solution sought by the State of Montana and local water users, Native Americans, and conservation groups.

The Family Farm Alliance is a grassroots organization that advocates for family farmers, ranchers, irrigation districts, and allied industries in seventeen Western states. The Alliance is focused on one mission to ensure the availability of reliable, affordable irrigation water supplies to Western farmers and ranchers.

The St. Mary Facilities face catastrophic failure after operating for over 85 years with only minor repairs and improvements since its

original construction. In late September, I toured these aging facilities and met with the St. Mary Rehabilitation Working Group. Frankly, I was astounded by the amount of deterioration to the diversion's facilities. When I saw the crumbling concrete and exposed rebar sticking out of the aging drop structures in the St. Mary Canal near the North Fork of the Milk River, I thought I was looking at Roman ruins. Obviously, the remote location of these structures will contribute to a higher price tag, come construction time.

The Family Farm Alliance is interested in the St. Mary facilities of the Milk River Project because it epitomizes what is becoming a growing concern in the Western United States. It is imperative that we find creative ways to provide for the operation, maintenance, and modernization of existing water supply infrastructure.

The Alliance board of directors supports Alliance involvement in this matter, with an understanding that we will focus on the larger issue of helping state and local efforts to find an innovative solution to this challenging problem.

In September, we met with Governor Brian Schweitzer and local water interests in a very well-organized tour of this aging federal water project. Over the past month, we have provided guidance to the St. Mary group as they seek to engage the Montana congressional offices on this matter. We have also invited Governor Schweitzer to address the St. Mary situation at our annual meeting in Las Vegas next March, and we have arranged for the Working Group to send a representative to present the luncheon keynote address on January 19th at the Mid-Pacific Water Users Conference in Reno.

The Alliance will also do what it can to educate the public and advocate to policy makers about the importance of addressing the West's decaying water storage and delivery infrastructure, using St. Mary as "Exhibit A". Sound business practices dictate that this existing infrastructure, and the water supply provided by these facilities, be protected and preserved.

Dan Keppen (Klamath Falls, Oregon) has over 16 years of water resources engineering and policy experience in the Western United States.

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